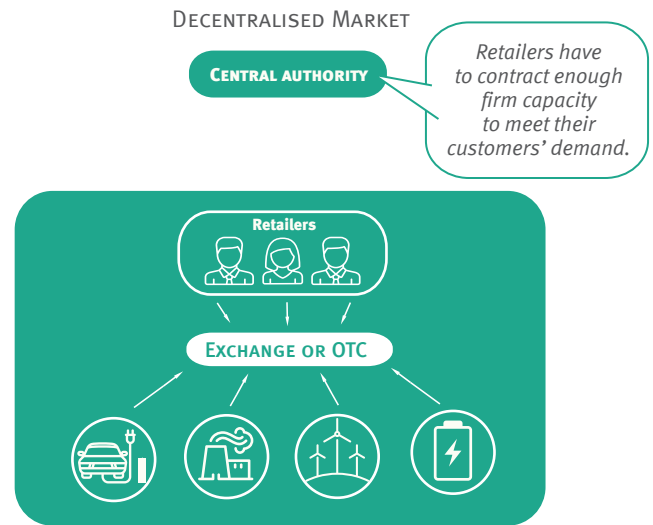
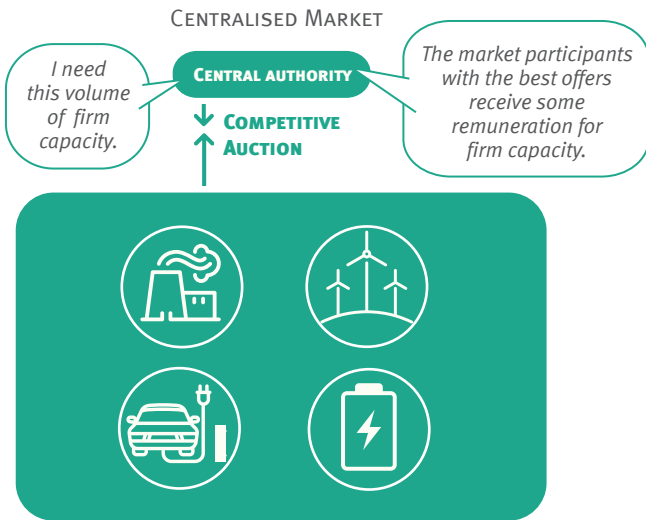
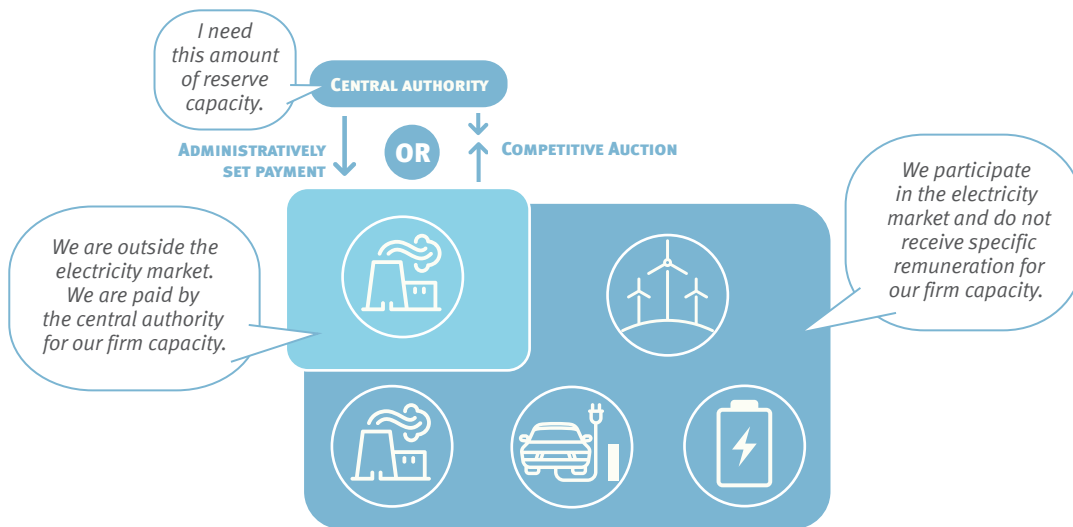


CAPACITY MECHANISMS

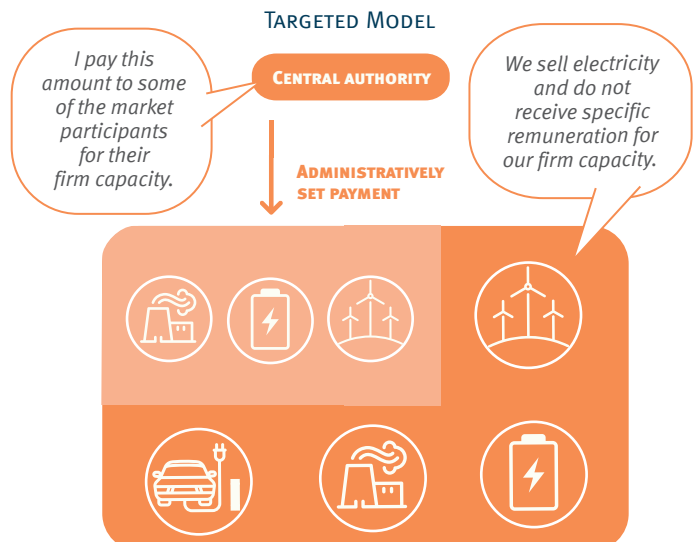
CAPACITY MARKETS



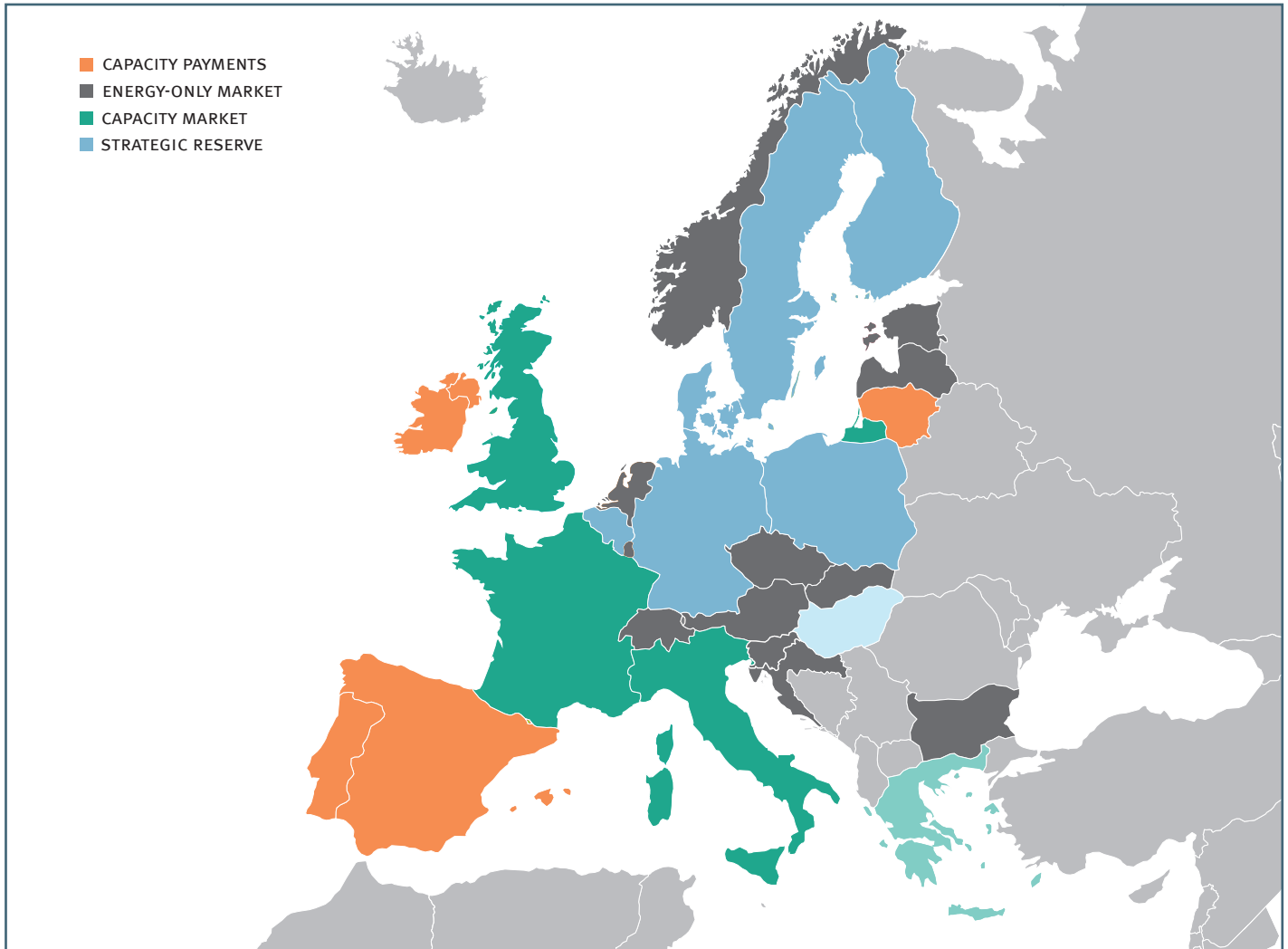
STRATEGIC RESERVES



CAPACITY PAYMENTS



CAPACITY MECHANISMS IN EUROPE – STATUS IN JANUARY 2016



KEY FEATURES OF WELL DESIGNED CAPACITY MECHANISMS

MARKET-BASED – Capacity should always be valued in a competitive market. Capacity prices should be allowed to move freely without distortive price regulation;

TECHNOLOGY-NEUTRAL – All technologies that provide firm capacity should be able to participate in the market without discrimination;

OPEN TO NEW AND EXISTING ASSETS – Market access should be based on a level playing field between both new existing firm capacity providers;

CROSS-BORDER PARTICIPATION – Capacity mechanisms must be open to cross-border participation to drive regional cooperation and take into account regional interdependencies;

OPEN TO GENERATION, DEMAND RESPONSE AND STORAGE – All forms of capacity throughout the value chain should be able to participate in the market;

CONTRACTS – The outcome of capacity mechanisms should be capacity contracts and not only a regulatory commitment;

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